

# **Fulton County: Evaluation Report of Proposals in Response to RFP**

## **Potential Sale of Fulton County Residential Health Care Facility (Nursing Home) and/or Certified Home Health Agency**

**March, 2010**

Prepared for:

**Fulton County**

Donald Pryor, Ph.D.

Project Director

## Contents

<b>Overview .....</b>	<b>3</b>
<b>Proposal Discussion .....</b>	<b>5</b>
I. Pharney Group, LLC.....	5
A. Proposer Qualifications .....	5
B. County Expectations and Minimum Requirements .....	8
C. Proposed Terms of Purchase .....	10
D. Key Questions to be Raised .....	10
E. Summary .....	11
II. Nathan Littauer Hospital and Nursing Home .....	12
A. Proposer Qualifications .....	12
B. County Expectations and Minimum Requirements .....	14
C. Proposed Terms of Purchase .....	17
D. Key Questions to be Raised .....	17
E. Summary .....	18
III. Leatherstocking Healthcare, LLC .....	20
A. Proposer Qualifications .....	20
B. County Expectations and Minimum Requirements .....	24
C. Proposed Terms of Purchase .....	25
D. Key Questions to be Raised .....	25
E. Summary .....	26
IV. Centers for Specialty Care .....	27
A. Proposer Qualifications .....	27
B. County Expectations and Minimum Requirements .....	30
C. Proposed Terms of Purchase .....	31
D. Key Questions to be Raised .....	32
E. Summary .....	32
V. Mountain Valley Hospice (Bid for CHHA only) .....	33
A. Proposer Qualifications .....	33
B. County Expectations and Minimum Requirements .....	35
C. Proposed Terms of Purchase .....	38
D. Key Questions to be Raised .....	38
E. Summary .....	38
<b>Conclusion and Potential Next Steps .....</b>	<b>39</b>

# FULTON COUNTY

## Potential Sale of Fulton County Residential Health Care Facility (Nursing Home) and/or Certified Home Health Agency

### *Evaluation Report of Proposals in Response to RFP*

## OVERVIEW

The following table provides an overview of the proposals submitted for the purchase of the Fulton County Residential Health Care Facility and Certified Home Health Agency. A further and more detailed discussion and analysis of each of the proposals follows the summary table below:

Proposer/ Category	Pharney Group, LLC	Nathan Littauer Hospital	Leatherstocking Healthcare, LLC	Centers for Specialty Care	Mountain Valley Hospice
<b>Proposal for</b>	RHCF only (excl. extra land)	RHCF only	RHCF only	RHCF only	CHHA only
<b>Location</b>	Tarrytown, NY	Gloversville, NY	Herkimer, NY	Bronx, NY	Johnstown, NY
<b>Years in business</b>	2 as owners (first home acquired in 2008)	116; Nursing Home since 1972	5 (since 2005)	14 (since 1996)	22 (since 1988)
<b>Type of entity</b>	Private, for-profit	Private, not-for- profit	Private, for-profit	Private, for- profit	Private, not- for-profit
<b>Size/Gover- nance</b>	5 owners	15-member board	3 owners	1 owner	15-member board
<b>Scope</b>	Nursing Home Management/ Consulting	Health Care Facility	Nursing Home Management	Nursing Home Management	Hospice Care
<b># of facilities operated</b>	11 (~1,400 beds); own 2, + 1 pending	1 hospital + nursing home	1 own, 1 manage	Own 10 (~1,300 beds)	1
<b>Services provided</b>	Nursing Home Management (see narrative for more detail)	extensive health and medical care	Nursing Home Management	Nursing Homes, Home Care	Hospice Care
<b>Geographic area/ populations served</b>	New York State	Fulton, Montgomery, Hamilton counties	Delaware, Herkimer, Oneida, Otsego counties	Madison, Oneida, Dutchess, Bronx, Queens, Brooklyn counties	Fulton and adjacent counties
<b>Unionized</b>	Experience w/ unions, willing to negotiate	Yes	Not specified.	9 out of 10 facilities	Willing to, if staff wants it

The following table summarizes nursing home and certified home health agency specific information regarding their quality and occupancy:

<b>Proposer/Category</b>	<b>Pharney Group, LLC</b>	<b>Nathan Littauer Hospital</b>	<b>Leatherstocking Healthcare, LLC</b> <i>(own facility)</i>	<b>Centers for Specialty Care</b> <i>(average)</i>	<b>Mountain Valley Hospice</b>
<b>Case Mix Index</b>	For 2 owned homes: 1.2-1.21	1.05 (Jan. 2010)	1.10	1.22	
<b>Occupancy Rates</b>	Not clearly specified	99.4% (2009)	95%	98%	90%
<b>Payer Mix</b>	Range (for 2 homes): Medicaid (66-69.1%) Medicare (14.5-15%) Private (16.4-19%)	Jan. 2010 Medicaid (73%) Medicare (13%) Other (14%)	Medicaid (72%) Medicare (18%) Private (10%)	Medicaid (79%) Medicare (13%) HMO (6%) Private (2%)	Medicaid (17%) Medicare (80%) Private (2%)
<b>Staffing/Nursing Service Caseload Size</b>	No Nursing Service. Staff ratios in NHs not specified.	No Nursing Service. NH staff ratios not specified; partial info provided.	No Nursing Service. NH staff ratios not specified; partial info provided.	1 nurse per 20 patients, 1 CNA to 8 or 15 patients (depending on shift)	1 RN per 12-15 patients
<b>Quality Survey Response</b>	For 2 homes: Substantial Compliance, Correction Required	Substantial Compliance (June 2009)	Not provided.	Not provided. Claim "excellent track record."	One standard deficiency.

# PROPOSAL DISCUSSION

## I. Pharney Group, LLC

20 Wood Court, Tarrytown, NY 10591

### A. Proposer Qualifications

#### *History/Mission*

Pharney Group is a for-profit senior care management company that specializes in providing long-term care to seniors through the successful operation of skilled nursing and rehabilitative care facilities. It is comprised of five members/partners (four of whom are father and sons), of whom three hold a Nursing Home Administrator's license, one a medical license, and one an attorney's license. According to the proposal, they collectively represent more than 50 years of experience as owners, operators, licensed nursing home administrators and nursing home financial officers.

Pharney Group prides itself "in ensuring that all our residents receive quality care and service at all times, and in our personalized approach. By maintaining a warm working environment, our dedicated staff is committed to treating each resident with the individual care, respect and kindness they deserve. This in turn translates into a comforting and pleasing atmosphere in which the residents reside."

#### *Operated Facilities*

Pharney Group is currently involved in the operation of 11 skilled nursing facilities in New York State, totaling about 1,400 beds. It provides day-to-day management for six facilities (owning 2 of them). For the other five facilities, Pharney Group serves as full-time consultants. Currently, Pharney Group has a signed contract, pending State approval, for purchasing a third facility and is exclusively negotiating the purchase of two more. The facilities are:

##### Own:

- ❖ Tarrytown Hall Care Center, Tarrytown, New York (120 beds)
- ❖ Alpine Rehabilitation & Nursing Center, Little Falls, New York (80 beds)

##### Operate:

- ❖ Windsor Park Nursing Home, Queens, New York (70 beds)
- ❖ Sunrise Manor Nursing Home, Bayshore, New York (84 beds)
- ❖ Fieldston Lodge Care Center, Bronx, New York (200 beds)

- ❖ Bethany Gardens Skilled Living, Rome, New York (100 beds)

Consulting:

- ❖ Affinity Skilled Living & Rehab, Oakdale, New York (280 beds)
- ❖ Wellsville Manor Nursing Home, Wellsville, New York (120 beds)
- ❖ Valley View Nursing Home, Norwich, New York (82 beds)
- ❖ Sunnyside Care Center, East Syracuse, New York (80 beds)
- ❖ Goldcrest Care Center, Bronx, New York (175 beds)

Signed Contract to Purchase:

- ❖ Norwich Rehabilitation and Nursing Center, Norwich, New York (80 beds), currently Pearl & Everett Gilmour Health Care Facility

## ***Specific Experience***

In the past few years, Pharney Group has gained experience in the operation of skilled nursing facilities, both through the ownership and operation of, and consulting with, such facilities. Its members have experience as nursing home and other health care facility administrators, as financial officers for health care companies, as a pediatrician, and as an attorney. The proposal indicates that they “have the energy, vision and financial ability to successfully operate at a substantially larger capacity,” and their goal is to expand the acquisition of nursing home facilities, while expanding the census, profits, services and quality of care within each.

Pharney Group purchased the Tarrytown Hall Care Center (skilled nursing facility) in 2008 and the Alpine Rehabilitation & Nursing Center in 2009. The proposal indicates that the occupancy rates, reputation, service offerings, staff salary, survey findings and financial situation have all improved in each facility since the take-over by Pharney. Some information was presented in support of these claims, but more specific data would need to be requested to independently confirm these statements.

## ***Staffing Structure***

Pharney Group describes that its staffing structures look similar to the Fulton County RHCF example given in the RFP. However, no staffing ratios or staffing organization charts are provided in the proposal. The Group expresses its willingness to discuss “our staffing ratio patterns” in more detail in the next phase, in the context of a greater understanding of “building size, number of beds on each unit, acuity of the residents, etc.” No salary or benefit information for specific types of positions are provided in the proposal, but Pharney Group indicates that it would be willing to share its current salary and benefit levels in more detail in the next phase of the process.

## ***Relevant Descriptive Information about Current Operations***

In comparison to the Fulton County RHCF's recent payer mix of about 80% Medicaid, 5% Medicare and 15% private pay/other, the recent payer mix in Pharney Group's two owned facilities was reported in the proposal as being between 65% and 70% Medicaid, 15% Medicare, and between 15% and 20% private pay.

Compared to the Fulton RHCF case mix index in 2009 of 1.0241, the reported January 2010 CMI in the two owned Pharney Group facilities was 1.2 and 1.21.

Compared to the Fulton RHCF occupancy rates in 2008 through mid-2009 of between 94.6% and 97.6%, the occupancy rate at the Tarrytown Center was reported in the proposal as having "increased significantly" and being "above 95%" since Pharney Group's purchase, though another document submitted as part of the proposal suggests that for 2009 the rate was closer to 90%. No occupancy rates were supplied for the Alpine Center facility. More precise data will need to be requested from Pharney Group should they continue as a prospective candidate in Phase 2 of the review process.

The proposal indicates that the two new Pharney Group acquisitions have resulted in expanded short-term rehabilitation and sub-acute care admissions, "more clinically-complex residents," and expansion of bariatric, IV, wound management and pain management services.

## ***Financial Viability***

Financial data were submitted for 2008 for the Tarrytown Hall Care Center. Alpine was only acquired in 2009. Pharney Group indicates that 2009 financials for both facilities will not be completed for a few more weeks, but that they will be supplied to Fulton County if Pharney Group is still under consideration at that time.

No financial information was provided about the other facilities operated by the partnership, nor was any financial information about the overall partnership supplied or referenced in the proposal. The proposal indicated that the recent approvals of the Tarrytown and Alpine acquisitions and the pending approval for the Norwich Center by the NYS Department of Health and the Public Health Council demonstrate "that the members of Pharney Group are approvable nursing home operators...and were deemed to be financially able to accomplish the acquisitions as proposed."

## ***References***

As requested, five references were provided as part of the proposal. The proposal indicates that the references "will attest to the success of the change of ownership and the positive impact it has created as a result of this change." One of the references is the Administrator of Pharney Group's newly-acquired Alpine facility; two appear to have financial connections; one appears to be a medical doctor of unknown connection to Pharney Group, and one is associated with the senior care field.

## **B. County Expectations and Minimum Requirements**

### ***Transition Plan***

Pharney Group expresses its intention to continue to operate the Fulton RHCF facility at the full 176-bed capacity. The proposal speaks of a “smooth transition of ownership” ensuring that “all residents currently residing at the facility are not affected by the change in ownership in any way.” In its proposal, the Pharney Group mentions a transition plan but does not provide specifics except the assurance that lines of communication will be kept open “throughout the transition and thereafter” for residents, family members, employees, and members of the community.

### ***Plan for Current Residents***

The Pharney Group notes its clear intent, as noted in the quote above, to assure that the current residents are not affected by the change of ownership. The proposal further states that Pharney Group “will assure that a smooth transition of ownership occurs so that the residents’ day to day quality of life and quality of care is not impacted nor recognized. It is our intention to assure that all family members and friends of each resident residing in the facility are reassured that their loved one will not be affected by the change in ownership in any negative way.”

The proposal also refers to potentially exploring the possibility, upon further review following acquisition, of converting some beds to lower levels of care such as assisted living, as well as further evaluating the “existing building for further environmental enhancements” to upgrade the quality of life for current and future residents.

### ***Future Admission Policy***

Pharney Group writes in its proposal that its intent is to serve the residents of Fulton County and the surrounding communities (with primary focus on local community residents) in order to meet physical, psychosocial, and mental needs. Pharney Group indicates that it does not discriminate in its admission or retention practices because of race, creed, color, national origin, disability, age, source of payment, or marital status.

The admission/occupancy levels of local residents appear to have risen in both of the Pharney Group’s past acquisitions, Tarrytown Hall and Alpine, although specific numbers were not provided. No references were made in the proposal to any specific commitments to addressing the historical mission of the RHCF, to low-income residents, to Medicaid recipients, or to those with dementia, behavioral issues, clinically-complex profiles, etc.

### ***Plan for Current Employees***

The proposal appeared to offer no specific guarantees to ensure future commitments of employment to current staff, although Pharney Group indicated its “commitment to ensuring that the employees of the Fulton County RHCF work in an environment that is enriched with strong work ethics, friendly, and family oriented atmosphere. We believe in continual staff development to enhance their professional skills and personal skills.” But, “with respect to the current employees of the RHCF,” the proposal makes no ironclad employment commitments

going forward, stating instead that “an evaluation of the positions, salary, wages and utilization of the positions will be reviewed upon acquisition.” Pharney Group says it offers competitive wages and benefits that will be compared with current employee compensation patterns “upon acquisition.” The proposal commits to an assessment of contracts with outside vendors, as Pharney indicates that it prefers to employ people in-house rather than contracting with outside vendors. If an RHCF employee requested a transfer within County government during the transition, Pharney Group would be willing to work collaboratively with the County “to honor the employee’s request, while assuring sufficient staffing ratios remain at the facility.”

Pharney Group indicates that it “has many successful years of experience working with unions in several of the existing facilities” it operates. Upon transfer of ownership, the proposal states that it intends to evaluate “the operational and financial feasibility of re-entering into union negotiations, for the benefit of staff and residents.”

### ***Accountability/Relationship to the Local Community***

The proposal emphasizes open communications between Pharney Group and the various constituencies not only of the nursing home, but also of the larger community. Specific reference is made to “hosting many community events/activities on site to increase family and community participation with the residents and staff, and demonstrate our commitment” to providing a family-oriented atmosphere. The proposal adds that Pharney Group believes in networking with community businesses and residents and that it wants “to be viewed as a resource, educate the public on current events in the long term care industry, offering health and wellness education to the public.”

Pharney Group indicates that it intends to continually measure resident, family, and staff satisfaction regarding quality levels through the issuance of questionnaires.

### ***Potential Changes and Innovative Approaches to Patient Care***

Pharney Group proposes to explore other options in the future, such as the addition of, and/or possible conversion of some existing skilled nursing beds to, assisted living beds in the facility. Other services that might be explored upon acquisition are adult day care and outpatient rehabilitation services.

Pharney Group indicated that they had not had the opportunity to visit the RHCF facility prior to submitting their proposal. Thus they committed to wanting to evaluate the existing facility for possible “environmental enhancements that may require renovations to the existing building.”

In both its acquired nursing homes, Pharney Group claims to have grown the short-term rehabilitation program and the sub-acute care program. Through training and staffing patterns, the facilities were able to accept more clinically-complex patients. Pharney Group indicates it has the knowledge to train staff in bariatrics, IVs, wound management, pain management, and rehabilitation services, should the need exist to expand such services in Fulton County.

## ***Other Relevant Information***

Pharney Group states that it has aggressive and efficient policies and procedures for the collection of Accounts Receivable, and adds “The Aging Account and Bad Debt Allowances are minimal in accordance with accounting practices and industry norms.”

## **C. Proposed Terms of Purchase**

Pharney Group proposes to purchase the 176-bed facility and the 15 acres on which it sits. The proposal specifically states that it is not interested in acquiring the additional 75.6 acres of land: “We wish to allow someone else the opportunity to purchase the land, if they have a vision or need to utilize the land for the benefit of the community.”

## **D. Key Questions to be Raised**

- ❖ The transition plan is not clearly spelled out.
- ❖ The plan appears to provide protections for current residents, though it will need to be fleshed out in more detail.
- ❖ There do not appear to be clear protections, or a clear sense of what is likely to be proposed, for the future employment, wages and benefits of current employees; these issues will need to be addressed in more detail.
- ❖ More information is needed about the proposed staffing plan and staffing ratios that Pharney Group would propose if they acquired the RHCF.
- ❖ Updated information is needed on the characteristics of, and survey findings for, the two newly-acquired nursing homes, and on the nature of changes that have occurred since the transitions of those facilities to new ownership.
- ❖ Much more information is needed on the other facilities operated by Pharney Group.
- ❖ More information is needed about the 2009 financials of the two newly-acquired facilities, as well as much more information about the overall Pharney Group partnership as a whole.
- ❖ Need to check references and seek more information about other facilities, and seek information about perceptions of State officials with whom Pharney Group has interacted.
- ❖ More information is needed about the proposed future admissions policy.
- ❖ In several instances in the proposal (e.g., discussion of future of current employees, potential facility upgrades, negotiations concerning future union status, etc.), references are made to needing to address issues “upon acquisition” or “upon transfer of ownership.” A number of these issues will need to be addressed in a second phase of the review process, and cannot

wait until after a purchase decision is reached. How such issues will be addressed needs to be known by County officials as part of the decision-making process as to whether Pharney Group, or any other outside proposer, will even be given the opportunity to purchase the facility in the first place.

### **E. Summary**

Pharney Group appears to have extensive experience that would be relevant to a potential purchase of the Fulton County RHCF. However, as suggested by the questions above, the County would need to have much more information from Pharney Group in order to make an informed decision about the viability of their proposal and of their potential ability to meet the County's needs and expectations for a new owner of the nursing home. It would seem especially helpful to have considerably more information about more of the facilities they operate, more financial information about the Pharney Group partnership, and more perspective that could be provided by the State Department of Health officials with whom they have worked concerning their acquisitions of recent nursing home facilities.

Bottom line: There is much more that we would need to know about Pharney Group and what they are proposing, but they appear to have sufficient relevant experience and financial resources to justify their continuation into the more detailed Phase 2 portion of the review process.

## **II. Nathan Littauer Hospital and Nursing Home**

99 East State Street, Gloversville, NY 12078

### **A. Proposer Qualifications**

#### ***History/Mission***

Nathan Littauer Hospital and Nursing Home (NLHNS) was originally founded on May 30, 1894 and is a fully licensed and accredited health care facility in Gloversville, New York. It is designated as a private not-for-profit corporation. A wide range of medical services are provided, and its campus includes an 84-bed residential nursing home, a medical arts building, a 74-bed acute care hospital, a surgical center, and a primary/specialty care center. Further primary and specialty care centers are located in Mayfield, Speculator, Caroga Lake, Johnstown (2), Perth-Broadalbin, and Gloversville (2). Primary and specialty care represents 14% of Nathan Littauer's business.

NLHNS is also affiliated with Community Health Center and Home Health Care Partners, offering a variety of short-term and long-term nursing and housekeeping services in the home to residents of Fulton and Montgomery counties. HealthLink services are designed to help individuals improve their health by making lifestyle changes.

In short, Nathan Littauer Hospital and Nursing Home offers and provides ready access to an integrated array of services from preventive to home-based care to acute hospital care to short- and long-term residential nursing home care. NLHNS is governed by a 15-member Board of Directors comprised of physicians and other members of the community who represent various professional designations and help ensure that the not-for-profit mission of the facility is carried out.

The mission of Nathan Littauer Hospital and Nursing Home is "to provide safe, high quality health and wellness services and to improve the health in our communities in a caring, contemporary environment."

#### ***Operated Facilities***

Of primary relevance to this proposal, Nathan Littauer Hospital and Nursing Home operates an 84-bed residential nursing home and a 74-bed acute care hospital as part of its medical campus. The direct connection of the nursing facility to the hospital helps ensure a steady flow of referrals to the nursing home, a factor which could also work to the benefit of the RHCF should it ultimately be purchased by NLHNS.

#### ***Specific Experience***

Nathan Littauer Hospital and Nursing Home has a long history of emergency and health care service provision. Specific experience in the area of nursing home management has been gained through the operation of the 84-bed nursing home as part of its medical campus since its creation

in 1972. The not-for-profit Article 28A incorporated facility provides short- and long-term residential health care.

The Nursing Home offers an array of comprehensive services such as dental, ophthalmology, podiatry, skilled nursing, social services and rehabilitative treatment, as well as various recreational and social activities designed to provide the resident with a positive, well-rounded environment of care and well-being. The Nursing Home promotes family and resident interaction, and encourages family council and support groups, along with involvement in a state-sponsored Ombudsman program. An active resident council also promotes resident rights, interests and activities. The Home attempts to provide residents and their families a number of avenues for addressing areas of concerns as well as for presenting new approaches to help enrich residents' experiences while living in the Home.

## ***Staffing Structure***

Nathan Littauer Hospital and Nursing Home employs 140 Registered Staff Nurses and 41 Licensed Practical Staff Nurses, as well as licensed professionals in diagnostic imaging, rehabilitative medicine and other areas throughout the facility. Further, 219 medical practitioners are on staff, 161 of them physicians.

For the Nursing Home itself, direct care staffing is divided into four categories (full-time, part-time, per diem, and casual employees). The breakdown by job category is as follows:

- ❖ Registered Nurse: 3 full-time, 4 part-time;
- ❖ Licensed Practical Nurse/Licensed Practical Nurse II: 9 full-time, 7 part-time;
- ❖ Certified Nurse Assistant: 22 full-time, 31 part-time, 5 per diem, 15 casual employees.

While it is not possible to directly compare these staffing patterns and staffing ratios to those in the Fulton RHCF, rough comparisons, based on available information and factoring in the fact that the NL Nursing Home has roughly half the number of beds as the RHCF, suggest that the staffing patterns appear to be somewhat similar in terms of overall resources available, though the numbers, deployment across shifts and supervisory patterns would need to be compared in more detail in subsequent discussions.

Employees of the Nursing Home are represented by the New York State Nurses Association and by the 1199 Service Employees International Union (SEIU). The current agreement between NLHNNH and the Nurses Association runs through 2010, and the SEIU agreement extends through June 2012. Both of these agreements, along with salary and benefit structures, were provided along with the proposal from NLHNNH.

The nursing home contracts out for speech therapy and Medicare Part B services. Engineering, laundry, dietary, and pharmacy services are shared with Nathan Littauer Hospital.

Organizational charts have been provided for both the entire NLHNNH and the Nursing Home facility.

## ***Relevant Descriptive Information about Current Operations***

In comparison to the Fulton County RHCF's recent payer mix of about 80% Medicaid, 5% Medicare and 15% private pay/other, the January 2010 payer mix in the Nathan Littauer Nursing Home was reported in the proposal as being 73% Medicaid, 13% Medicare, and 14% private pay and other payers.

Compared to the Fulton RHCF case mix index in 2009 of 1.0241, the reported January 2010 CMI in the NL Nursing Home was 1.05 for all payers and an estimated 0.96 for Medicaid-only.

Compared to the Fulton RHCF occupancy rates in 2008 through mid-2009 of between 94.6% and 97.6%, the occupancy rate for calendar year 2009 at NL was 99.4%.

According to the proposal, the last quality survey completed on the NL Nursing Home by the State (completed in June 2009) demonstrated "substantial compliance" during the visit. (The survey was not submitted as part of the proposal.)

## ***Financial Viability***

Financial statements for 2008 and 2007 for the entire Nathan Littauer Hospital Association were submitted as part of the proposal, with no separate breakouts available for the Nursing Home alone. 2009 financial statements were not available at the time of the proposal's submission. In both 2008 and 2007, the net assets of the corporation were roughly \$48 million. The financial position of NLHNNH is such that the offer to purchase the Fulton County RHCF involves a cash payment from cash reserves.

## ***References***

As requested, five references have been provided as part of the proposal. It should be noted that all references were members of the Nathan Littauer Hospital and Nursing Home Board of Directors, and in fact appear to be the officers of the Board. A broader list of references, with more arms-length distant connections to the corporation, would need to be requested as part of a possible Phase II follow-up.

## ***B. County Expectations and Minimum Requirements***

### ***Transition Plan***

Should its bid ultimately be successful, Nathan Littauer Hospital and Nursing Home proposes to continue operation of the Fulton County RHCF with the full current licensed 176-bed count "for the foreseeable future." Before transition of ownership, it is proposed that the Administrator and appropriate department heads of Nathan Littauer Nursing Home would meet with their appropriate counterparts at RHCF to familiarize themselves with the current operations and residents. It is the goal of NLHNNH to make the transition as smooth as possible and to minimize the concerns of residents and their families regarding continuity of care.

## ***Plan for Current Residents***

The proposal speaks of the ability to “assume the responsibility for the current residents in an environment that will respect their individuality and maintain personal dignity.” It also speaks of the historic commitment of the NL facility to provide “quality care in a compassionate environment” and of the desire to “reassure the county, the residents and their representatives that their welfare will be of primary concern to the administration and direct care staff” of NLHNNH.

Despite these statements, the proposal does not appear to explicitly state an unequivocal protection for the continuity of care throughout the remaining life of all current residents at the RHCF, although all indications are that that is the NLHNNH intent. The above-stated goal of a seamless transition and minimizing any concerns regarding continuity of care would seem to make the intentions clear, although no absolute guarantee seems to be spelled out in the proposal.

## ***Future Admission Policy***

The proposal suggests that the admissions patterns of the NL Nursing Home are similar to those of the Fulton County RHCF, at least as it relates to Medicaid admissions. It notes that it has “successfully and compassionately” cared for a wide range of residents “with a myriad of complexities, diagnoses and longevity placement requirements.” While no explicit references are made in the proposal to specific commitments to addressing the historic mission of the RHCF, to low-income residents or to Medicaid recipients, the historic mission of the NLHNNH facility, and its annual level of charity care (about \$1 million in both 2008 and 2007), suggest that such a commitment is likely, though it would need to be pinned down more definitively in subsequent discussions.

The proposal states that admissions are adjusted based on the existing staffing pattern. Nathan Littauer Hospital and Nursing Home states that in its experience, “the level of resident care needed and available staffing are more reliable indicators than a specific ratio to ensure resident needs are met appropriately.”

Each applicant will be individually evaluated prior to admission to ensure that the facility is able to meet his/her needs.

The current admissions policy for the Nathan Littauer Nursing Home has been provided with the proposal, and indicates that the Nursing Home “shall admit and retain only those nursing home residents for whom it can provide adequate care regardless of race, creed, color, national origin, handicap, sex, age, source of payment, marital status and sexual preference.”

## ***Plan for Current Employees***

The proposal appeared to offer no specific guarantees to ensure future commitments of employment to current staff, although “all current RHCF employees will be invited to apply to continue in their current positions. It is our hope that we will be able to employ all who wish to work with us in the continuation of the county’s mission to provide skilled nursing care in an environment that maintains and enhances each person’s individuality. Those who wish to be considered will be individually interviewed by the respective managers for their departments.” It

is the stated intention to cause as little distress for residents as possible. The proposal estimates only minimal changes in the number of employees who will be needed to care for the residents.

Physician contracts will be individually evaluated, consistent with Nathan Littauer's contract methodologies. Outsourcing for rehabilitation and pharmacy services would continue initially, although the proposal also indicates that over time the feasibility of bringing those services in-house will be explored. Mobile imaging will also continue to be handled by an outside contractor. It is the intention to use Nathan Littauer Hospital resources where applicable, such as laboratory services.

Current Fulton County employees who continue with Nathan Littauer will be represented, according to the proposal, by the New York State Nurses Association (NYSNA), 1199 Service Employees International Union (SEIU) "or the non-bargaining designation as those employee classifications are delineated by Nathan Littauer Hospital." Nathan Littauer reports a long productive history of working closely with both of the Nursing Home unions. "Employees who transition" from the County to NLHNSH "will be afforded the same protections and representation as employees" of the NLHNSH facility receive. Union agreements have been provided with the proposal, and comparisons would be needed between those agreements and the County RHCF wage and benefit scales to determine the likely impact of a transition for current employees.

## ***Accountability/Relationship to the Local Community***

Nathan Littauer Hospital and Nursing Home has a long history of more than a century of working in Fulton County, and appears to have developed a level of trust and built a reputation for serving the needs of the community.

NLHNSH is a local corporation which is committed to the community, as demonstrated by some of its other services, such as a two-week summer day camp for children with diabetes, chronic respiratory breathing disorders and other limited disabilities. The hospital also has a long history of working with the Fulton County Public Health Department and various community organizations.

A resident council, along with a family council and support groups, are encouraged to represent and protect resident rights in the NL Nursing Home. In addition, an Ombudsman from the Office of the Aging is supported in order to further assure representation of resident rights and interests. All of these groups are encouraged to make their suggestions and concerns known. It is implied, without being stated explicitly, that NLHNSH would build on these approaches, both in their own facility and that also currently exist within the RHCF, to ensure equal strong encouragement and facilitation of resident rights and interests should it acquire the RHCF.

The proposal references no other direct mechanisms for ensuring accountability of the institution back to the public, should it be sold to NLHNSH, other than the fact that the 15-member board is made up of community representatives at the local level, thereby presumably providing a form of accountability that would not be present with a for-profit entity without local connections.

Per its bid, Nathan Littauer Hospital and Nursing Home states that it has “the same regulatory responsibilities, oversight and accountability as the county and would seek to maintain quality standards in every area.”

## ***Potential Changes and Innovative Approaches to Patient Care***

The proposal mentions several innovations that have been successfully implemented at the NL Nursing Home that NLHNNH proposes to also implement at the RHCF should it acquire the facility: the development of a wound care program within the RHCF, a restorative rehabilitation program, and the decentralization of meal service to enhance the dining experience for residents.

This proposal makes no reference to any possible facility renovations or restructuring, nor are any references made to the possibility of considering any bed decertifications, shifts of beds to lower levels of care, conversion of any beds from double-bed to single rooms, or other types of reallocated beds, space or other resources within the facility.

## ***Other Relevant Information***

The fact that Nathan Littauer Hospital and Nursing Home is affiliated with the Community Health Center (a non-profit certified home health agency, and the biggest CHHA in the county) could potentially have implications for the County-owned CHHA, should NLHNNH purchase the County RHCF and should the County CHHA not be sold. The fact that under those circumstances Nathan Littauer would then own two of the major nursing homes in the region, and thereby be in a position to have a potentially preferential referral relationship with the Community Health Center, at the expense of the County’s CHHA competitor, could at least raise some questions that should be addressed in any negotiations prior to a potential sale of the RHCF to Nathan Littauer.

## **C. Proposed Terms of Purchase**

Nathan Littauer Hospital and Nursing Home proposes to pay cash for the RHCF from their cash reserves. It proposes to purchase the facility, land, fixed assets and equipment, with no interest in acquiring non-fixed assets such as accounts receivable. Under this proposal, Fulton County would be responsible for maintaining ownership of all assets and liabilities that are non-building or non-equipment.

## **D. Key Questions to be Raised**

- ❖ The transition plan, should Nathan Littauer purchase the RHCF, would need to be more clearly fleshed out.
- ❖ The plan appears to provide some working assumptions concerning provision of protections for the continuity of care for current residents throughout the remainder of their lives, though

it will need to be fleshed out in more detail. Future admissions policy commitments should also be discussed further.

- ❖ There do not appear to be clear protections for the future employment, wages and benefits of current employees; the proposal suggests that NLHNNH is predisposed to want to hire most if not all of the current employees, but no guarantees are mentioned, and these issues will need to be addressed in more detail.
- ❖ More information is needed about the proposed staffing plan that NLHNNH would propose if they acquired the RHCF.
- ❖ Updated state survey information should be requested, along with actions taken in response to survey findings.
- ❖ It should be clarified under the proposal terms indicating that the County of Fulton will maintain ownership of all assets and past liabilities that are non-building or non-equipment, and that Nathan Littauer will not commence operations with any carryover or account balances from the previous owner.
- ❖ The implications of a potential relationship between Nathan Littauer, a newly-purchased Fulton County RHCF, and the Community Health Center should be explored before any sale is finalized.
- ❖ Is Nathan Littauer willing to consider any facility or bed configuration changes, and if so, what? Or is the absence of any such options in the proposal an indication that none are likely to be considered should NL purchase the RHCF?
- ❖ The County may wish to probe further concerning ways Nathan Littauer would propose to be held accountable and/or report back to the larger community on changes at the nursing home, should it be sold to NLHNNH.
- ❖ Compatibility or differences between NLHNNH and Fulton County union contracts and protections should be spelled out and their implications understood and addressed before any final deals are struck.
- ❖ Nathan Littauer should be asked to provide additional references that are not exclusively connected in formal ways to the existing facility and Board of Directors.

## **E. Summary**

Nathan Littauer Hospital and Nursing Home appears to have the local reputation, the experience, the sense of mission, and the financial resources to be a viable candidate to successfully purchase the County RHCF, given the information available in the proposal. It also has an integrated array of service offerings and ability to refer cases back and forth as needed between facilities and programs to create helpful efficiencies and synergies. This proposal represents the only one of the four expressing an interest in purchasing the RHCF that is from a Fulton County-based, not-

for-profit organization. However, as suggested by the questions above, the County would need to have much more clarification from NLHNNH on a number of issues in order to make an informed decision about the viability of its proposal and of its potential ability to meet the County's needs and expectations for a new owner of the RHCF. Nonetheless, based on what is known at this point, Nathan Littauer appears to have sufficient strengths to justify its continuation into the more detailed Phase 2 portion of the review process.

### **III. Leatherstocking Healthcare, LLC**

321 North Bellinger Street, Herkimer, NY 13350

#### **A. Proposer Qualifications**

##### ***History/Mission***

Leatherstocking Healthcare, LLC is a for-profit corporation created in 2005, and is made up of its three member owners. It is based in Herkimer County. Its consolidated financial statements indicate that it also includes the accounts of Leatherstocking Realty Holdings, LLC. In 2006, the company bought the Countryside Care Center in Delhi from Delaware County, New York, having previously assumed responsibility for the management of Folts Homes in Herkimer County in 2005.

The main focus of Leatherstocking's mission "is to care for the residents of the nursing home. The methods used to provide these services are through direct hands-on, high quality care, provided around the clock by the dedicated staff of the nursing home. We will serve the residents with compassion, privacy and with the dignity they deserve."

##### ***Operated Facilities***

###### **Own:**

- ❖ Leatherstocking Healthcare, LLC Delhi Nursing Home, a 160-bed facility in Delaware County. Prior to Leatherstocking's purchase of the facility in 2006, it was a 199-bed facility. The new owners decertified 39 unused beds and have converted those into a new 35-slot adult day health care program to be operated on site. This new program has been approved by the NYS Department of Health and is expected to open this September.

The owners report that the following services are provided at the Leatherstocking Healthcare Delhi facility: inpatient physical therapy, inpatient occupational therapy, Alzheimer/dementia unit and support group, short- and long-term residential care, respite care, hospice care, social work, physician and medical director, laboratory, consulting pharmacist, dietary consultation, activities, chaplaincy services, podiatry, dental, and hair dressing. Which of these services are provided via contract and which by in-house staff is not specified in the proposal.

###### **Operate:**

- ❖ Folts Homes, Inc., a not-for-profit corporation located in Herkimer County. This includes a 163-bed nursing home, plus an 80-bed adult home, a 15-slot adult day health care program, and 8 apartments.

The owners report that the following services are provided at the Folts Homes nursing facility: a rehab unit, inpatient physical therapy, inpatient occupational therapy, speech

therapy, three Alzheimer/dementia units plus a support group, outpatient physical therapy, outpatient occupational therapy, adult day health care, short- and long-term residential care, respite care, social work, laboratory, consulting pharmacist, dietary consultation, activities, physicians and medical director, chaplaincy services, podiatry, dental, hair dressing, and transportation. Which of these services are provided via contract and which by in-house staff is not specified in the proposal.

## ***Specific Experience***

Leatherstocking Healthcare, LLC has acquired specific experience in the nursing home field through the ownership and operation since 2006 of its own nursing home in Delaware County and the management since 2005 of Folts Homes in Herkimer County.

The proposal also states that the three owners/partners “have been in the Healthcare (Nursing Home) business well over 30 years.” The proposal subsequently states that, prior to its creation as a corporation and prior to taking over the management of the Folts Homes, “Collectively, we’ve operated one other facility well over thirty five years.” The proposal offers no additional information about the owners’ pre-Leatherstocking nursing home experience. It does indicate that one of the owners spent 16 years in the banking industry, one had been in the healthcare business (e.g., establishment of rehabilitation units, outpatient programs, adult day care, etc.) for more than 30 years, and the third had been in the construction business for more than 20 years. All three are owners and officers of both Leatherstocking Healthcare, LLC and of Leatherstocking Realty Holdings, LLC, in addition to being, respectively, the Chief Operating Officer, Chief Executive Officer and Director of Plant Operations of Folts Homes, Inc.

Leatherstocking Healthcare, LLC reports that it has been successful in improving survey results, occupancy, payer mix and case mix indices at both their own facility, as well as at Folts Homes. Data in support of some of these claims are presented in the descriptive data section below, though no survey information was included with the proposal.

## ***Staffing Structure***

Leatherstocking Healthcare, LLC is an equal opportunity employer.

The proposal reports that the salaries at the Leatherstocking Healthcare nursing home facility in Delaware County total just over \$6.3 million, with benefits of more than \$1.6 million. At Leatherstocking Healthcare, LLC, the staffing structure is reported as follows:

- ❖ Registered Nurse: 7 full-time, 4 salaried, 6 part-time
- ❖ Licensed Practical Nurse: 23 full-time, 1 salaried, 19 part-time
- ❖ Certified Nursing Assistant: 53 full-time, 15 part-time, 4 per diem
- ❖ Dietary: 18 full-time, 1 salaried, 12 part-time
- ❖ Housekeeping/Laundry: 14 full-time, 13 part-time

- ❖ Maintenance: 4 full-time, 1 salaried, 3 part-time
- ❖ Other: 24 full-time, 10 salaried, 7 part-time
- ❖ Total: 143 full-time, 17 salaried, 75 part-time, 4 per diem

At Folts Homes, Inc., the reported salaries total almost \$6.5 million, with benefits of more than \$1.8 million. The staffing structure is reported as follows:

- ❖ Registered Nurse: 7 full-time, 4 salaried, 3 part-time, 4 per diem
- ❖ Licensed Practical Nurse: 24 full-time, 1 salaried, 4 per diem
- ❖ Certified Nursing Assistant: 56 full-time, 12 part-time, 1 per diem
- ❖ Dietary: 19 full-time, 2 salaried, 33 part-time, 2 per diem
- ❖ Housekeeping/Laundry: 22 full-time, 1 part-time
- ❖ Maintenance: 6 full-time, 1 salaried, 3 part-time
- ❖ Other: 41 full-time, 25 salaried, 42 part-time, 14 per diem
- ❖ Total: 175 full-time, 33 salaried, 94 part-time, 25 per diem

The proposal does not differentiate or further define the differences between full-time and salaried positions. Nor does the proposal indicate whether the Folts Homes staffing profile includes only the nursing home, or the adult home staffing as well. No detailed staffing organization charts and supervisory structures are provided for the various facilities. So it is not possible to directly compare staffing patterns and staffing ratios to those in the Fulton RHCF, but rough comparisons, based on available information, suggest that the patterns appear to be somewhat similar in terms of the use of Registered Nurses, that the Leatherstocking and Folts Homes facilities may have slightly more LPNs per residents than the RHCF, and that the Fulton RHCF appears to make proportionately greater use of Certified Nursing Assistants than do either of the Leatherstocking or Folts Homes facilities.

No information is provided in the proposal concerning the mix of services provided exclusively in-house versus by outsourced/contracted arrangements. Nor does the proposal provide any indication of the extent to which employees of either facility are represented by bargaining units.

### ***Relevant Descriptive Information about Current Operations***

In comparison to the Fulton County RHCF's recent payer mix of about 80% Medicaid, 5% Medicare and 15% private pay/other, the proposal indicates that the payer mix in the Leatherstocking Healthcare Nursing Home is now 72% Medicaid, 18% Medicare (reportedly up from 3% before Leatherstocking's purchase of the facility), and 10% private pay. In the Folts Homes facility, the comparable reported proportions are 66% Medicaid, 21% Medicare (up from 6% before they assumed responsibility for management of the facility), and 13% private pay.

The proposal does not indicate what the previous Medicaid and private pay proportions were for either facility.

Compared to the Fulton RHCF case mix index in 2009 of 1.0241, the reported current (time not specified) CMI in the Leatherstocking Nursing Home is 1.10 (up from .96 pre-purchase), and the Folts Homes current CMI is reported as being 1.22 (up from 1.08 prior to taking over management of the facility).

Compared to the Fulton RHCF occupancy rates in 2008 through mid-2009 of between 94.6% and 97.6%, the “current” occupancy rate for Leatherstocking is 95% (up from a reported 82% pre-purchase), and the Folts Homes occupancy rate is reported as 98%, up from pre-management levels of 91%.

No state survey information for either facility was submitted as part of the proposal.

## ***Financial Viability***

The financial statements submitted as part of the proposal seem to raise some cautions about the financial viability of the Leatherstocking Healthcare organization. The Leatherstocking Healthcare, LLC and Related Entity (the Realty Holding LLC) financial statement indicates operating losses in 2007 and 2008 (2009 data were not yet available), and the proposal indicates that since the corporation purchased the Delaware County facility, it has been able “to minimize the loss. With the exception of this last poor economic year, we have been able to reduce the loss in operation revenue.”

According to the Folts Homes financial statements for 2007 and 2008, under the management tenure of Leatherstocking Healthcare LLC, Folts Homes entered into a merger agreement with another not-for-profit nursing home in 2006. The second corporation subsequently filed for bankruptcy under Chapter 11, and the affiliation agreement with Folts Homes was subsequently terminated in 2009. In the auditor’s management letter accompanying its 2008 and 2007 financial statement, the auditing firm states “Folts Home, Inc. has suffered recurring significant reductions in revenues and increased operating expenses and has a net deficiency in net assets....This condition raises substantial doubt about the organization’s ability to continue as a going concern.”

## ***References***

As requested, five references have been provided. One is the Board Chair of Delaware County, which would potentially provide some perspective on the transition between the previously county-owned nursing home and the current for-profit entity. Other references include two representing financial services, a legal firm, and an individual affiliated with a floor-covering firm.

## **B. County Expectations and Minimum Requirements**

### ***Transition Plan***

No transition plan is specifically outlined, other than a statement that “We will continue to provide all the services currently established at the facility....We pledge that we will work with the county, the community, and the CHHA to continue to provide all the services, nursing home placement, rehab services, and respite care for all Fulton County residents.”

### ***Plan for Current Residents***

The proposal does not explicitly state an unequivocal protection for the continuity of care throughout the remaining life of all current residents at the Fulton County RHCF. There is no unambiguous statement in the proposal stating what commitments Leatherstocking Healthcare will make to current residents, nor is there any indication of what happened to the residents of the Delaware County nursing home when it was purchased by Leatherstocking. The closest the proposal comes to addressing such concerns are the following statements: “The goal is to provide the continuity of care to the residents of the Fulton County Nursing Home and to provide all of Fulton County residents’ first priority to admissions to the nursing home.” And “Our mission is to enhance the quality of care and quality of life of the people of Fulton County Nursing Home.” The extent to which those statements represent generic references to continuity and quality of care to residents in general, or whether they imply specific commitments to current residents is not clear from the proposal. The experience in a similar situation with Delaware County could be further investigated if this proposal is to receive further consideration in Phase 2 of the review process.

### ***Future Admission Policy***

No specific reference is made to a clear admissions policy for the future of the home, and no indication is provided of what commitment would be made in the future to respecting the historic mission of the RHCF. The only commitment made concerning future admissions is the “pledge that we will offer the Fulton County residents first choice to reside at the facility.”

### ***Plan for Current Employees***

As with the current residents, the proposal appeared to offer no specific guarantees to ensure future commitments of employment to current RHCF staff. The only stated commitment is to “provide the staff the opportunity for employment in accordance to the laws of the State of New York.” The proposal further states that the staffing pattern would “remain adequate in order to support the residents of the facility” and that “compensation will be based on the New York State Medicaid/Medicare Annual Budget.” As with the experience with residents, the relevant Delaware County experience could be further investigated in Phase 2, if warranted.

### ***Accountability/Relationship to the Local Community***

Leatherstocking Healthcare, LLC does not mention specifically how it plans to reach out to the community, or how it proposes to be accountable and responsive to the larger Fulton County community, or to the residents, families and staff of the RHCF.

The proposal indicates that under new ownership the facility would continue to work with the Certified Home Health Agency (CHHA) in order to prevent lapses in services to the residents of the County. What that relationship would entail is not spelled out in the proposal.

## ***Potential Changes and Innovative Approaches to Patient Care***

This proposal makes no reference to any possible facility renovations or restructuring, nor are any references made to the possibility of considering any bed decertifications, shifts of beds to lower levels of care, conversion of any beds from double-bed to single rooms, or other types of reallocated beds, space or other resources within the facility.

The proposal does reference that as part of the transition to the new ownership in Delaware County, bed capacity of the Delhi facility has been reduced from 199 to 160 beds since 2006 in order to be approved for a 35-slot Adult Day Health Care program. It is not clear from the proposal whether Leatherstocking Healthcare might consider some similar options in Fulton County.

## ***Other Relevant Information***

Nothing specific noted.

## **C. Proposed Terms of Purchase**

The specific offer is “contingent upon successfully acquiring a mortgage from an accredited financial institution and getting license approvals from the NYS Department of Health and other government agencies as required by NYS laws.”

## **D. Key Questions to be Raised**

- ❖ The relationship between Leatherstocking and Folts Homes seems unclear and would need to be explored further. More information is also needed about the relevant experience of the three owners prior to their creating the Leatherstocking partnership.
- ❖ The transition plan, should Leatherstocking Healthcare be selected to purchase the RHCF, would need to be more clearly fleshed out.
- ❖ There are no indications of plans concerning provision of protections for the continuity of care for current residents throughout the remainder of their lives, nor are there any indications of protections for the future employment, wages and benefits of current employees. How the potential buyer would propose to address these issues, and its experience with similar issues in Delaware County, would need to be pursued further.

- ❖ More information would also be needed concerning future admissions policies and protections for the historic mission of the RHCF under new ownership.
- ❖ More information is needed about the proposed staffing plan that Leatherstocking would propose if it were to acquire the RHCF.
- ❖ Information on state surveys of Leatherstocking-owned and -operated facilities should be requested, along with actions taken in response to survey findings.
- ❖ Questions should be raised concerning why no other options involving lower levels of care were raised in the proposal. Is Leatherstocking willing to consider any facility or bed configuration changes, and if so, what? Or is the absence of any such options in the proposal an indication that none are likely to be considered should it purchase the RHCF?
- ❖ The County may wish to probe further concerning ways Leatherstocking would propose to be held accountable and/or report back to the larger community on changes at the nursing home, should it be chosen to purchase the RHCF.
- ❖ Previous experiences with union employees, and indications of how Leatherstocking would propose to work with unions in the future, need to be explored, as there is no reference in the proposal to such past or current experiences or future willingness.
- ❖ The financial viability of Leatherstocking to be able to purchase and sustain the RHCF in the future needs to be carefully explored.

## **E. Summary**

One of the primary strengths of this proposal is that Leatherstocking Healthcare has previous experience in having purchased a county-owned nursing facility and converted it into a privately-run operation. Should Fulton County decide to pursue consideration of this proposal further, it would be important to investigate how well that process occurred, the effectiveness of the transition process, what happened to the residents and staff of the county facility, and how the purchase is viewed several years later.

The questions above indicate significant gaps in this proposal, as the proposers provided very few specifics in response to explicit questions and “minimum expectations and requirements” specified in the County’s original Request for Proposals. Furthermore, significant questions are raised by the proposal concerning the ability of the firm to make a viable offer to purchase and subsequently maintain the RHCF consistent with the County’s needs and expectations.

In short, Fulton County would need to be prepared to invest considerable time in pursuing a number of issues in much more detail if it decides to consider this proposal further. If there is any interest in obtaining additional information, it may make sense to first learn more about the circumstances surrounding the purchase and transition involved with the Delaware County facility, and be guided by what is learned about that experience in deciding whether or not to pursue this proposal further at that time.

## **IV. Centers for Specialty Care**

1601 Bronxdale Avenue, Suite 209, Bronx, NY 10462

### **A. Proposer Qualifications**

#### ***History/Mission***

Kenneth Rozenberg, the for-profit owner of Centers for Specialty Care, purchased his first nursing home in 1996 (Williamsbridge Manor Nursing Home in the Bronx). Before that, he served as Administrator of Record at Bronx Center for five years. Since 1996, Mr. Rozenberg has acquired nine additional nursing homes (the most recent acquired in February of this year) and one Certified Home Health Agency. It is anticipated that he will also acquire the Metropolitan Jewish Geriatric Center (354 beds), which serves Kings County, later in 2010. The Centers for Specialty Care is the billing arm of all of Mr. Rozenberg's facilities.

Mr. Rozenberg's "mission in all of his Health Care Companies is the same, to provide the highest level of care in a cost efficient manner. He feels strongly that the best way to provide the highest level of care is to make sure each and every employee is happy and comfortable at work." The Centers for Specialty Care "strive to create a caring and supportive environment committed to the highest quality of life and standards of health care, with the greatest respect for human dignity."

#### ***Operated Facilities***

These organizations are owned by Centers for Specialty Care (Mr. Kenneth Rozenberg):

##### ***Nursing Homes (totaling more than 1,300 beds):***

- ❖ Brooklyn Center for Rehabilitation and Residential Healthcare, Brooklyn, NY (215 beds)
- ❖ Bronx Center for Rehabilitation and Healthcare (200 beds, 20 station dialysis center to open May 2010)
- ❖ Dutchess Center for Rehabilitation and Healthcare, Pawling, NY (122 beds, 20 bed Bariatric unit, 40 slot Adult Day Care Program to open February 2011)
- ❖ Queens Center for Rehabilitation and Residential Healthcare, Whitestone, NY (179 beds, 59 bed short-term rehabilitation unit)
- ❖ Stonehedge Health and Rehabilitation Center – Chittenango, Chittenango, NY (80 beds)
- ❖ Stonehedge Health and Rehabilitation Center – Rome, Rome, NY (160 beds, 25 slot Adult Day Care Program)
- ❖ University Nursing Home, Bronx, NY (46 beds)

- ❖ Wartburg Nursing Home, Brooklyn, NY (102 beds)
- ❖ Wartburg Lutheran Home for the Aging, Brooklyn, NY (123 beds, 100 slot Adult Day Care Program, 20 station dialysis center to open January 2011)
- ❖ Williamsbridge Manor Nursing Home, Bronx, NY (77 beds)

*Certified Home Health Care Company:*

- ❖ Alpine Home Care, Bronx, NY (250 cases)

## ***Specific Experience***

Centers for Specialty Care (Centers) has gained vast experience in the nursing home field through the operation of facilities in mostly urban, but also suburban and rural settings. According to the proposal, Centers has successfully acquired both for-profit and not-for-profit facilities, with varying governance arrangements. The proposal cites “the strength of our superior management team and proven processes that allow repeatable high-quality outcomes,” while also being flexible enough to enable individualized community-specific approaches to be tailored to the unique needs of each newly-acquired facility.

The proposal claims that a number of the purchased nursing homes “were in less than optimal condition at the time of acquisition, but in every case our organization has turned these homes into high quality, efficient homes that provide outstanding care to our clients and stable competitive paying jobs for our employees.” Independent verification would be needed to validate that claim, but clearly the organization has a successful track record of purchasing and maintaining a number of facilities primarily in New York City, but also in three upstate counties as well.

The leadership of all the homes meets regularly to keep up to date in regard to information and training pertaining to clinical competence, regulatory compliance, customer service, employee and labor relations, guest services, etc.

## ***Staffing Structure***

In addition to the Centers’ management team that serves the overall corporation and its individual facilities, the staffing structures in each nursing home are tailored to the needs of the particular facility and are adjusted to meet the care needs of the clientele served. The proposal indicates that across all facilities, the vast majority of the staff is hired in-house, with about 4% of the nursing staff and 10% of the rehabilitation personnel being contracted out. All part-time staff members are given the opportunity to become full-time upon the opening of full-time positions.

Specific organizational charts or staffing patterns for each facility have not been provided to date. The proposal indicates that across all facilities, the typical staff ratio is 1 nurse to 20 residents (for all three shifts), with a Unit Supervisor during the day shift, and a CNA-to-resident ratio of between 1:8 and 1:15, depending on the shift.

Much emphasis is placed on staff development and ongoing educational and training support to enable staff to grow in their skills and engagement with residents, to ensure consistent proven practices are in place across all facilities, while at the same time encouraging staff to work with each facility and community to create programs and services that are targeted to specific needs of each home.

Nine of the ten facilities owned and operated are under a union contract with SEIU-1199 and follow their pay and benefit schedule. The one facility that is not unionized is Dutchess Center for Rehabilitation and Healthcare.

## ***Relevant Descriptive Information about Current Operations***

In comparison to the Fulton County RHCF's recent payer mix of about 80% Medicaid, 5% Medicare and 15% private pay/other, the recent payer mix in Centers for Specialty Care's facilities fluctuates from home to home, but the proposal indicates that the average across all facilities is 79% Medicaid, 13% Medicare, 6% HMO, and 2% private pay.

Compared to the Fulton RHCF case mix index in 2009 of 1.0241, the reported average CMI across all Centers' facilities in July 2009 was 1.22.

Compared to the Fulton RHCF occupancy rates in 2008 through mid-2009 of between 94.6% and 97.6%, the reported average occupancy rate across all Centers' facilities was approximately 98%.

The proposal claims that Centers' facilities have "an excellent track record" on State Department of Health surveys of each facility. No specific survey reports were included with the proposal.

The County may wish to request in the next phase of the review process more specific data about upstate facilities, should it decide to pursue the Centers' application in more detail.

## ***Financial Viability***

The overall financial viability of the Centers for Specialty Care was not discussed in the proposal. However, financial statements for three of the facilities were included. All three reflected positive net income balances for the 2008 year (the most recent available statements). It cannot be determined from the proposal submission how representative these statements are of all 10 facilities. But the track record of the organization, with its approval by the state for acquisitions as recently as early this year, suggests that, pending a more thorough review if requested in Phase 2, the corporation is likely to have the financial resources needed to purchase the RHCF, should it reach that point.

## ***References***

As requested, five references have been provided. Most appear to be vendors of various services. It is not clear from the categorization of the references how much they would be able to speak directly to issues such as quality of care and community perceptions of the management of various facilities. On the other hand, additional names are mentioned outside the formal references as contacts that could shed light on acquisition of facilities in an upstate county, and

other references could be requested and checked should the review process be extended for this applicant into a second phase of the process.

## **B. County Expectations and Minimum Requirements**

### ***Transition Plan***

The Centers for Specialty Care intends to continue to operate all 176 beds as part of the skilled nursing facility. The proposal states that there are no plans to decertify any beds as part of the process. Centers has much experience in transitioning facilities into their ownership group. The proposal acknowledges that each transition has its unique set of challenges, but indicates that Centers' experience will help to make the process as smooth as possible.

The proposal states: "We know that when a public institution is privatized that there are many constituencies both public and private that may second-guess that decision and/or process and we want to insure that when this transaction is completed that you have no regrets with the outcome."

The proposal indicates that upon taking ownership of a new facility, a substantial amount of time is set aside for key Centers management staff to meet with residents, families, staff, and members of the community to explain the company's mission. These meetings are designed to also provide an opportunity to learn from the community about its specific needs. The proposal notes that "there are always concerns and reservations when there is a change of governance at a skilled nursing home and we are sensitive to those concerns and allow open dialogue to address them."

The proposal indicates that the Centers' clinical team will work with the staff from the first day to ensure high quality service during transition. The new administrator will meet with residents, family members and the community on the first day as well.

### ***Plan for Current Residents***

The Centers for Specialty Care notes in its proposal that "during our previous acquisitions, any changes that happened in regards to the operation of the Facility did not affect the Residents at all." The proposal speaks of a smooth transition process involving the residents and their family members, with uniformly positive results, and improved care and levels of satisfaction following the transition, but no specific commitments are explicitly made concerning maintenance of continuity of care if needed for the remainder of the lives of current residents.

### ***Future Admission Policy***

The Centers for Specialty Care will only accept residents that they can properly care for. Medicaid and Medicare pending residents are accepted at their other facilities and they intend to continue this practice in Fulton County as well. Bariatric, behavioral, and dementia residents are only accepted when the staff has the necessary training and equipment to provide care. The overall profile of payer types across the Centers' facilities appears to be reasonably consistent

with that of the RHCF, but further discussions with Centers staff would be needed to pin down what level of commitment can be expected to Medicaid admissions and to maintaining the historic mission of the RHCF under new ownership.

### ***Plan for Current Employees***

The proposal does not specify any guarantees concerning current employees, except that “All current employees will be evaluated by the [new] Administrator” to determine their ability to carry out the needed roles under the new ownership. If there are deficiencies, “training is always offered” to bring staff up to speed. The proposal notes that “we will follow the union contract in terms of protections and preferences for the union employees. No salaries will be cut.”

The proposal indicates that “if the union has current issues, we would first meet with them to discuss the issues” in order to reach “a mutually beneficial outcome.”

### ***Accountability/Relationship to the Local Community***

The Centers consider themselves “a community based health care provider,” and thus value reaching out to the residents, family members, staff and community at large to hear and address their respective needs. The Centers point to their proven track record of successful privatization of public facilities and the satisfaction on the part of the governments, residents, and families involved. They propose ongoing monthly open houses to give community members an opportunity to discuss concerns and raise questions.

### ***Potential Changes and Innovative Approaches to Patient Care***

The proposal does not make reference to any planned changes in the existing facility, levels of care, or array of services. But it does indicate that most of the Centers’ existing facilities have identified specialty care niches in their respective communities, such as Dutchess Center, which has a high-quality bariatric unit. The Bronx Center was the first nursing home in New York City to provide inpatient hemo-dialysis. The proposal implies that if it acquires the RHCF, it would be open to exploring the potential value of any appropriate changes that would address community needs.

### ***Other Relevant Information***

The lead administrator for the Centers’ Upstate region was involved in the privatization of the Oneida County Residential Health Care Facility (Broadacres) in the mid-1990s.

## **C. Proposed Terms of Purchase**

The proposal suggests that Centers for Specialty Care has strong relationships with banks that are familiar with health care systems in New York, that understand the special challenges related to those systems, and that have worked closely and effectively with the Centers in the past. As

such, they anticipate working with these financial institutions to finance a portion of the purchase, “depending on the specifics of the particular acquisition.”

### **D. Key Questions to be Raised**

- ❖ There are no indications of specific plans concerning provision of protections for the continuity of care for current residents throughout the remainder of their lives, although there are suggestions of such intentions. These would need to be fleshed out in more detail.
- ❖ Nor are there any indications of protections for the future employment, wages and benefits of current employees. These issues would need to be pursued further.
- ❖ More information would also be needed concerning future admissions policies and commitment to the historic mission of the RHCF if Centers were to purchase the facility.
- ❖ More information is needed about the proposed staffing plan if it were to acquire the RHCF.
- ❖ More information is needed on the characteristics of and relevant data concerning individual Centers’ nursing homes, particularly for upstate facilities, and on the nature of changes that have occurred since the transitions of those facilities to new ownership.
- ❖ Information on state surveys of Centers’ facilities should be requested, along with actions taken in response to survey findings.
- ❖ It would be helpful to know more about Centers’ willingness to consider any facility or bed configuration changes, and if so, what? Or is the absence of any such options in the proposal an indication that none are likely to be considered should it purchase the RHCF?
- ❖ More information would be needed concerning the overall financial picture of the Centers’ group, and its upstate facilities.

### **E. Summary**

Centers for Specialty Care has extensive experience in acquiring and operating nursing homes in New York. Most of the homes are in New York City, but three are in upstate counties. Its experience appears to be directly relevant to the potential purchase of the Fulton County RHCF. However, there are a number of questions that would need to be addressed in more detail before any definitive decision could be made about the potential viability of its candidacy as a purchaser of the RHCF. Additional information about specific nursing homes, especially in upstate counties, and the circumstances related to their purchase, takeover, transition and ongoing operations of the facilities, would be especially valuable to the County’s consideration of its final decision. But based on the knowledge available at this time, Centers for Specialty Care appears to have sufficient relevant experience and financial resources to justify further consideration as a potential buyer.

## **V. Mountain Valley Hospice (Bid for CHHA only)**

108 Steele Avenue, Gloversville, NY 12078

### **A. Proposer Qualifications**

#### ***History/Mission***

Hospice of Fulton, Inc., operating under the name Mountain Valley Hospice, is a community-based, not-for-profit hospice agency formed for the purpose of providing care to persons suffering life-limiting illnesses and their families. The hospice was founded in 1985 by the Fulton County Committee for Hospice Formation and became operational in 1988. It is located in Gloversville, New York, and serves primarily Fulton County residents, as well as residents of adjacent counties.

Mountain Valley Hospice is Fulton County's only certified hospice agency. It operates as a certified hospice under Article 40 of the State's Public Health Law, and is also certified to provide hospice services under Medicare.

Originally, Mountain Valley Hospice provided hospice care services to patients where they lived, at their homes, in the hospital, or in a nursing home. In 2005, Mountain Valley Hospice opened an eight-bed residence for hospice patients in Gloversville, which was largely financed by more than \$2 million in financial pledges from businesses and residents of the community.

The organization's patient-centered focus is captured in its mission statement:

"Mountain Valley Hospice seeks to make hospice care available to all appropriate patients and families in the geographic area regardless of race, creed, gender, or ability to pay. In providing care to persons with a limited life expectancy, hospice neither attempts to prolong life nor to hasten death. The goal of hospice care is to alleviate symptoms – physical, emotional, spiritual, financial, and social – enabling the patient and family to concentrate on living. The focus on patient perceived needs allows control to remain with the patient. Mountain Valley Hospice provides care that is palliative, holistic, and supportive."

#### ***Operated Facilities***

Mountain Valley Hospice provides hospice care in its residential hospice as well as where the patients reside.

#### ***Specific Experience***

Governed by a 15-member board of directors, Mountain Valley Hospice is licensed to provide the following services: nursing, home health aide, homemaker, housekeeper, social work services, physician services, personal care, pastoral care, medical supplies, durable medical equipment, pharmaceutical services, nutritional, clinical laboratory services, and psychological counseling. Other therapies, such as physical, occupational, or speech therapy, are provided on a

contract basis. A chaplain is available to provide support to patients and family members. Staff support is supplemented by an extensive volunteer support network.

Mountain Valley Hospice currently has contracts with the four major regional hospitals to provide general inpatient and inpatient respite care: Nathan Littauer Hospital & Nursing Home (Gloversville), St. Mary's Hospital (Amsterdam), Little Falls Hospital (Little Falls), and Saratoga Hospital (Saratoga Springs). Contracts to offer hospice care are also in place with the following nursing homes: Fulton County Residential Health Care Facility (Gloversville), St. Johnsville Nursing Home (St. Johnsville), Wells Nursing Home (Johnstown), Nathan Littauer Hospital & Nursing Home (Gloversville), Palatine Nursing Home (Palatine Bridge). In addition, hospice services are provided in group homes for people with developmental disabilities through the Fulton and Montgomery County Associations for Retarded Citizens.

## ***Staffing Structure***

The Mountain Valley Hospice staffing structure looks as follows:

- ❖ Registered Nurses (Average Salary \$52,000): 5 full-time, 2 part-time, 6 per diem
- ❖ Licensed Practical Nurses (\$31,000): 3 full-time, 1 part-time, 3 per diem
- ❖ Home Health Aides (\$24,000): 5 full-time, 2 part-time, 5 per diem
- ❖ Social Workers (\$50,000): 2 full-time
- ❖ Other Clinical Staff (\$60,000): 3 per diem
- ❖ Clinical Services Support (\$22,000): 1 part-time, 1 per diem
- ❖ Clinical Services Director (\$60,000): 1 full-time
- ❖ Support Services Director (\$58,000): 1 full-time
- ❖ Business Operations Support (\$27,000): 3 full-time, 1 part-time, 1 per diem
- ❖ Business Operations Director (\$70,000): 1 full-time
- ❖ Executive Support (\$39,000): 2 full-time
- ❖ President & CEO (\$90,000): 1 full-time
- ❖ Total: 24 full-time, 7 part-time, 20 per diem

The following services are contracted out: audiology, speech therapy, physical therapy, occupational therapy, respiratory therapy, clinical laboratory, pharmaceutical services, and durable medical equipment.

Organizational charts have been provided.

## ***Relevant Descriptive Information about Current Operations***

More than 3,200 patients and families have been serviced by Mountain Valley Hospice in its 22 years of service. In 2009, MVH cared for 276 patients, representing over 14,000 days of care; 21% of care days were residential (in the hospice residence), while the remaining 79% of care days were provided in the patient's own residence or a health care facility. The numbers of persons served by the agency has steadily increased, doubling the average daily census since 2002.

The average daily census in 2009 was 41 patients (90% of capacity). About 80% of patient services are covered by Medicare; another 17% have Medicaid as the primary payer, with 2% covered by private insurance or self-pay. Nurse (RN) case managers carry an average of 12-15 active cases.

The quality of patient care is attested to by licensure recertification surveys conducted by the NYS Department of Health. In the three most recent survey inspections, MVH has been cited for only one standard deficiency on each occasion, for minor non-compliance deficiencies of limited consequence. The most recent 2009 survey and its plan of correction are part of the proposal submission.

## ***Financial Viability***

The proposal states that Mountain Valley Hospice is financially stable, with a growing budget of more than \$3 million supported by a growing daily census. A financial statement for 2009, supplied with the proposal, supports the claim of financial viability.

## ***References***

In excess of the requested minimum, eight references have been provided. They appear to represent a good cross-section of financial business people, vendors, source of patient referrals, consumer, and state hospice advocate.

## ***B. County Expectations and Minimum Requirements***

### ***Transition Plan***

The transition plan assumes that the certified home health agency will be licensed and operated independently, yet affiliated with Mountain Valley Hospice, likely operating under a newly created corporation entitled Mountain Valley Home Care. A new parent company may also be established to incorporate all subsidiaries that may ultimately be created.

The CHHA would probably operate out of the current offices of Mountain Valley Hospice; alternatively, it could be located off-site elsewhere within Fulton County. The transition should be facilitated by the fact that the Clinical Services Director, Paula Knoll, RN, was employed in similar positions at the RHCF and the Fulton County Nursing Service and is familiar with most of the CHHA staff and procedures.

Since MVH is currently providing hospice services in the home to residents of Fulton County, similar protocols, policies and procedures for the delivery of patient care, quality assurances and billing already exist, thereby helping to facilitate a smooth transition plan. Recognizing that the CHHA population is more clinically acute than many hospice patients and that different assessment tools and reporting requirements exist for CHHAs under Medicare, Mountain Valley Home Care would plan to adopt the patient assessment tools currently in use by Fulton County Nursing Service (CHHA) staff.

The applicant also understands that it will need to file an application with the state for a Certificate of Need (CON) to establish a certified home health agency and undergo an on-site licensure survey to obtain Medicare certification. The proposal estimates a transition period of 9 to 12 months from the time a possible agreement is reached to purchase the CHHA until the transfer would be complete.

### ***Plan for Current Residents***

The proposal indicates the expectation that the transition will be seamless for patients. According to the proposal, they will continue to receive the same care by the same clinical staff as before the transfer of ownership. Patients will be informed of the transfer of ownership in written form, “with sufficient information to allay any fears associated with the transition.” Management would also host a community forum to introduce the MVH leadership team and respond to questions from residents, patients and family members.

### ***Future Admission Policy***

The proposal indicates that MVH’s current admission policy will serve as a model for the proposed CHHA admission policy. Within Fulton County, patients who meet Medicare’s Home Health Admission Criteria will receive home health care services without regard to age, gender, nationality, race, creed, sexual orientation, disability, diagnosis, availability of caregiver, or ability to pay.

Patients will be offered pastoral care and volunteer supportive services, as are current hospice patients. Families will be invited to participate in the facility’s bereavement or grief counseling services, which include a social worker assessment, individual counseling, support groups, and access to the hospice chaplain.

A copy of Mountain Valley Hospice’s admissions policy has been provided.

### ***Plan for Current Employees***

If Mountain Valley Hospice is selected to purchase the CHHA, all current Fulton County Nursing Service (CHHA) staff will be hired by the new owner and will be guaranteed employment for a six-month probationary period. Staff will be hired at a salary or wage consistent with the Mountain Valley Hospice schedule. Mountain Valley Hospice’s current employee benefit package will be extended to all new employees. Employee benefits include FICA, workers’ compensation, unemployment, disability, retirement, and health and dental insurance are available to employees who work more than 32 hours per week. The organization pays 100% towards employee insurance premiums for full-time employees. Part-time employees

are not eligible for health insurance. Employees can subscribe to the group's dental plan, but must pay their own premiums.

During the six-month probationary period, responsibilities of each position will be reassessed; some positions may change and new positions may be created. Management is exploring the possibility of cross-training hospice and certified home health staff to create staffing flexibility. At the end of the six-month period, the previous CHHA staff will be evaluated and decisions made about continuing employment with Mountain Valley Home Care based on the six-month performance of each employee. If new positions are created, the transitioning staff would have the option to apply for any of the positions.

None of the current Mountain Valley Hospice employees are union members. MVH will honor the request of its employees should they elect to petition for union representation and will adhere to all laws regarding unions as set forth by the National Labor Relations Board and the State of New York.

### ***Accountability/Relationship to the Local Community***

Mountain Valley Hospice was originally founded by concerned citizens of Fulton County. Over the past 20 years, its employees have educated the community about the philosophy of hospice care. Lectures are regularly given to high schools, church congregations, and civic groups. The hospice places exhibits at health fairs and publishes a newsletter. Every summer, the hospice organizes a workshop to help children and teenagers cope with loss. Thus Mountain Valley Hospice already is an integral part of the Fulton County community.

The proposal indicates that as a new CHHA, Mountain Valley Home Care would continue this commitment to community involvement in program planning and service delivery. The proposal also promises that the 15-member Board of Directors would reexamine its membership to determine if it appropriately reflects the diversity of the new patient population to be served.

### ***Potential Changes and Innovative Approaches to Patient Care***

Mountain Valley Hospice is successfully providing needed palliative care consistent with Medicare guidelines, but patients would be able to buy additional supportive palliative care on a sliding fee scale basis under a new CHHA.

Mountain Valley Health Care's vision would integrate the skilled services of nursing, social work, nutritional counseling, and various therapies (i.e., physical, occupational, respiratory, and speech), as well as pastoral care, volunteers, and grief counseling. These services would be supplemented by complementary and alternative medicine modalities, such as massage therapy, reflexology, and aromatherapy. To sum up, the proposed approach would combine hospice, home care, and supportive care in one organization.

### ***Other Relevant Information***

No other relevant information was presented that is not captured in previous sections.

### **C. Proposed Terms of Purchase**

Mountain Valley Hospice offers its proposed terms of purchase in the context of a stated strong financial position, but reflecting a concern about a narrowing reimbursement climate projected to decline in coming years. Its proposal offers to further discuss terms with County officials at the appropriate time, and “to discuss your perceived value for these items as we move into the second phase of this process.”

### **D. Key Questions to be Raised**

- ❖ The major questions about this proposal have to do with making sure that transition from a hospice entity to a more full-scale home health agency can be implemented smoothly. The transition plan outlined in the proposal sounds reasonable and carefully thought out, but will need to be discussed in more detail to make certain it will hold up under careful scrutiny.
- ❖ Financial terms of the purchase offer would also need thoughtful discussion.

### **E. Summary**

This appears to be a very carefully-conceived proposal, from an organization that already appears to have solid community credentials and a strong local reputation, supplemented by a strong community volunteer network. The proposal appears to be sound enough to justify further consideration in a second phase of the process, with particular focus on the two issues raised in the previous section.

# CONCLUSION AND POTENTIAL NEXT STEPS

The County has received five legitimate proposals, four for purchase of the RHCF only, and one for the purchase of the CHHA only. Based on our review of the proposals as submitted, CGR finds strengths in each and considerable variety across the different proposals.

Among the variations across the proposals are the following:

- ❖ One of the potential purchasers of the RHCF and the potential purchaser of the CHHA are based in Fulton County, while another potential buyer is located in an adjacent county, and two are based in the New York City region.
- ❖ Two have a primarily local range of service, one has regional and upstate coverage, and two have a combination of New York City and upstate experience.
- ❖ The potential CHHA buyer and one of the potential RHCF buyers are not-for-profits, while the other three are for-profit entities.
- ❖ The entities range from one program or nursing home operated, to more than 10 owned or operated.
- ❖ The potential buyers have been in the nursing/hospice or nursing home business as corporations for as little as five years or less to almost 40 years.
- ❖ The applicants have varying experiences in working with unions, from little or none to extensive.
- ❖ Potential purchasers of the Fulton County RHCF or CHHA range from no experience in purchases of other similar facilities (two) to having purchased one nursing home facility (one) to having purchased two with another pending (one) to having purchased 10 (one).

Thus there are a wide array of experiences and strengths represented by the five potential purchasers. At the same time, each proposal and potential purchaser has limitations and various unresolved questions that need to be addressed before further decisions can be made about their viability as potential owners of either the RHCF or the CHHA. Among the main questions for which more information is needed for most if not all of the potential purchasers are the following:

- ❖ Clarification or expansion of proposed transition plans;
- ❖ Clarification of protections and plans for continuity of care for current residents of the RHCF and for future employment of current RHCF and CHHA employees;
- ❖ Additional information about possible staffing configurations proposed for the RHCF;

- ❖ More details about other facilities owned or operated by the potential buyers;
- ❖ More extensive and more current financial information about the operations of proposers;
- ❖ Questions about previous or current experience and proposed relationships with unions;
- ❖ Additional information about potential changes proposers might consider to current operations or facilities.

In order to move the process forward, CGR suggests that as the next step, each of the potential purchasers be contacted by CGR and asked to respond to the questions appropriate to each, as previously identified in this report. Responses from each potential purchaser would be compiled by CGR and presented back to the project Steering Committee for its review at its next meeting. Based on that updated information, we suggest that at that meeting, the Committee be prepared to determine which if any of the potential purchasers should be selected as having sufficient strengths to continue on as part of a more extensive second phase of the proposal review process. It is suggested that this next meeting of the Steering Committee would occur within the next 4 to 6 weeks, following receipt by CGR of the updated information from the potential purchasers.